

CHAPTER 292. EMPLOYEES' RETIREMENT SYSTEM*

***Cross references:** Municipal Employees' Retirement System - see M.C.L.A. Secs. 38.601 et seq.; Compensation and salaries in home rule cities - see M.C.L.A. Secs. 117.3, 117.5, 117.17, 117.19, 117.20, 117.28, 117.32, 117.33; Civil service in home rule cities - see M.C.L.A. Sec. 117.4i; Recall - see M.C.L.A. Sec. 117.4i; Shortening or extending term of office - see M.C.L.A. Sec. 117.5; Pensions generally - see CHTR. Sec. 9-203; General Employees' Retirement System Board - see ADM. Ch. 279; Policemen's and Firemen's Retirement System - see ADM. Ch. 294.

292.01. Definitions.

As used in this chapter, unless a different meaning is plainly required by the context:

- (a) *Accumulated contributions* means the sum of all amounts deducted from the compensation of a member and credited to the member's individual account in the employees' savings fund, together with regular interest thereon.
- (b) *Annuity* means an annual amount, derived from a member's accumulated contributions, payable in equal monthly installments throughout the future life of a person or for a temporary period as provided in this chapter.
- (c) *Annuity reserve* means the present value of all payments to be made on account of any annuity, or benefit in lieu thereof. The annuity reserve shall be computed upon the basis of such mortality table and regular interest as the Board from time to time adopts.
- (d) *Beneficiary* means any person, except a retirant, who is in receipt of, or who has entitlement to, a pension, retirement allowance or other benefit, payable by the retirement system.
- (e) *Board of Trustees* or *Board* means the Board of Trustees of the general employees' retirement system, as provided for in this chapter.
- (f) *Credited service* means the number of years, and fraction of a year, of service standing to a member's credit in the member's service account as defined in subsection 292.01(r). Any future reference in this chapter to "credited service" shall have the same meaning as "service credit."
- (g) *Compensation* means a member's salary, wages, longevity bonus and as of October 1, 2003 for any City employee not eligible for overtime pay under the Fair Labor Standards Act and regardless of union contract eligibility, up to a maximum of eighty (80) hours of unused compensatory time if existing to the members credit at the date of retirement paid by the City for personal services rendered by the member to the City, the District Court or the Housing Commission, whichever is applicable, as an employee.
- (h) *Employee* means:
 - (1) Any regular or permanent officer or employee of the City, and for the sole and exclusive purposes of this retirement system, any employee of the Housing Commission who has not executed a request to transfer to the Michigan Municipal Employees Retirement System and a release of the City and the retirement system from future pension claims, or any former employee of the Housing Commission whose right to a retirement allowance has been deferred by the Board of Trustees. Beginning January 1, 1971, any person who is employed on a regular or permanent basis by the District Court, except the judges of such Court, shall be considered an employee of the City for the sole

and exclusive purposes of this retirement system. The term "employee" does not include any person who is compensated by the City or by the District Court wholly on a fee or contractual basis, nor the Medical Director appointed under Section 292.11, nor elected officials of the City, except as provided in paragraph (h)(2) hereof, nor judges of the District Court. The phrase "contractual basis," as set forth herein, shall not be applicable to those regular full-time employees of the City who are required to sign employment contracts under the January 15, 1985, personnel rules for executive management plan personnel or Council staff personnel as a condition of employment.

(2) Any elected official of the City, who otherwise meets the requirements of this chapter, upon filing a written application with the Board of Trustees of the retirement system.

In any cases of doubt, the Board shall decide who is an employee within the meaning of this chapter.

(i) *Final average compensation* means the average of the highest annual compensation paid a member during a period of two consecutive years of credited service contained within the member's ten years of credited service immediately preceding the date when the member's employment with the City, District Court or Housing Commission last terminated. If the member has less than two years of credited service, the member's final average compensation shall be the average of the member's annual compensation for the member's total years of credited service.

(j) *Final compensation* means a member's annual rate of compensation at the time of termination of the member's last employment by the City, District Court or Housing Commission.

(k) *Member* means any person who is included in the membership of the retirement system.

(l) *Pension* means an annual amount, derived from money provided by the City, payable in equal monthly installments throughout the future life of a person or for a temporary period as provided in this chapter.

(m) *Pension reserve* means the present value of all payments to be made on account of any pension, or benefit in lieu thereof. The pension reserve shall be computed upon the basis of such mortality and other tables of experience, and regular interest, as the Board from time to time adopts.

(n) *Regular interest* means such rate or rates of interest per annum, compounded annually, as the Board from time to time determines, subject to the approval of Council.

(o) *Retirant* or *retiree* means a member who retires from employment with a retirement allowance payable by the retirement system.

(p) *Retirement allowance* means the sum of the annuity and the pension.

(q) *Retirement system* or *system* means the retirement system established under this chapter.

(r) *Service* means personal service rendered to the City, the District Court or the Housing Commission, whichever is applicable, by an employee while a member of the retirement system.

(s) *Workers' compensation period* means the period a member, retirant or beneficiary is in receipt of workers' compensation on account of a disability or death arising out of and in the course of a member's employment. If the member, retirant or beneficiary is paid a single sum in lieu of future workers' compensation, then such individual's workers' compensation period shall be the period, if any, the individual was in receipt of weekly workers compensation plus the period arrived at by dividing such single sum by the weekly workers' compensation award.

(t) *Covered positions* means:

- (1) Positions of the City's elected officials, exempt and appointed employees, and executive management plan employees;
 - (2) Positions of the City's teamster supervisory and non-supervisory employees;
 - (3) Positions in the District Court, excluding the judges thereof; and
 - (4) Positions of the City's Fraternal Order of Police (FOP) 911 Operators' Division employees.
- (u) *Covered position's effective date* means October 1, 1990, for the positions of the City's elected officials, exempt and appointed employees and executive management plan employees; October 29, 1990, for the positions of the City's teamster supervisory and non-supervisory employees and for the positions of the District Court employees; and July 1, 1992, for the positions of the City's FOP 911 Operators' Division employees.
- (v) *Defined contribution plan* means the City of Lansing Money Purchase Defined Contribution Plan.
- (Ord. No. 908, 1-17-95; Ord. No. 960, 12-9-96; Ord. No. 1030, § 1, 5-7-01; Ord. No. 1071, § 1, 9-29-03)

292.02. Establishment and effective date of system.

A retirement system for employees of the City is hereby established for the purpose of providing retirement allowances and death benefits for employees of the City, under the provisions of Ordinance 132, passed May 19, 1941, as amended, which ordinance and amendments are embraced within this chapter. The effective date of the retirement system was July 1, 1941.

(1958 Code, § 26-2)

292.03. Board of trustees; establishment and functions.

There is hereby established a Board of Trustees, in whom is vested the general administration, management and responsibility for the proper operation of the retirement system, and for interpreting and making effective this chapter.

(1958 Code, § 26-4)

292.04. Membership; terms of office.

- (a) The Board of Trustees shall consist of nine trustees, as follows:
- (1) The Mayor;
 - (2) A member of Council to be selected by, and to serve at the pleasure of, Council;
 - (3) The City Treasurer;
 - (4) The Chief Personnel and Training Officer;
 - (5) Three members of the retirement system to be elected by the members of the system under such rules and regulations as may from time to time be adopted by the Board, except that not more than one such elected member shall be from any one City department;
 - (6) A resident of the City appointed by the Mayor, by and with the consent of City Council, who is not an employee of the City and is not eligible to receive benefits payable by the retirement system; and
 - (7) A resident of the City appointed by the Mayor, by and with the consent of City Council, who is a retiree of the retirement system.
- (b) The regular term of office for such elected and appointed Trustees shall be four years.
- (Ord. No. 707, 9-30-85; Ord. No. 1018, § 1, 9-18-00)

292.05. Attendance at meetings; resignation; filling vacancies.

If an elected or appointed Trustee fails to attend three consecutive meetings of the Board of Trustees, unless in each case excused for cause by the remaining Trustees attending such meetings, or if a member Trustee leaves the employ of the City, or the retired appointed Trustee no longer resides in the City, then such member shall be considered to have resigned from the Board and the Board shall, by resolution, declare the office of Trustee vacated as of the date of adoption of such resolution. If a vacancy occurs in the office of Trustee, the vacancy shall be filled within sixty days from and after the date of the vacancy, for the unexpired portion of the term, in the same manner as such office was previously filled.

(Ord. No. 707, 9-30-85; Ord. No. 1018, § 1, 9-18-00)

292.06. Oath of office.

Each Trustee shall, within ten days after appointment or election, take an oath of office to be administered by the City Clerk.

(Ord. No. 707, 9-30-85)

292.07. Organization; rules of procedure; meetings.

The Board of Trustees shall elect from its own number a Chairperson and Vice-Chairperson. It shall adopt its own rules of procedure and shall keep a record of its proceedings. The Board shall hold meetings regularly, at least once in each month, and shall designate the time and place thereof. All meetings of the Board shall be public.

(Ord. No. 707, 9-30-85)

292.08. Voting; quorum; decisions.

(a) Each Trustee shall be entitled to one vote on each question in the meetings of the Board of Trustees.

(b) Five Trustees shall constitute a quorum at any meeting of the Board.

(c) A majority of concurring votes shall be necessary for a decision by the Trustees at any meeting of the Board.

(Ord. No. 707, 9-30-85)

292.09. Compensation; secretary; employees; legal advisor.

(a) The Trustees shall serve without additional compensation for their services as Trustees.

(b) The Director of Finance shall be ex-officio Secretary of the Board of Trustees.

(c) The Board may employ such professional and other services as shall be required. The compensation for such services shall be fixed by the Board.

(d) The City Attorney shall be legal advisor to the Board.

(Ord. No. 707, 9-30-85)

292.10. Records and reports.

(a) The Board of Trustees shall keep, or cause to be kept, such data as are necessary for an actuarial valuation of the assets and liabilities of the retirement system and for checking and compiling the experience of the system.

(b) The Board shall annually render a report to the Mayor and Council on or before July 15, showing the fiscal transactions of the retirement system for the year that ended on the preceding December 31, the amounts of cash and securities held by the system and the last balance sheet of the system, by means of an actuarial valuation of its assets and liabilities.

(1958 Code, § 26-11)

292.11. Medical director.

The Board of Trustees shall appoint as Medical Director a physician who is not eligible to participate in the retirement system as a member, retirant or beneficiary. He or she shall arrange for and pass upon all medical examinations required under this chapter; investigate all essential medical statements and certificates made by or on behalf of a member in connection with such member's application for disability retirement, and in connection with a claim for service-connected death benefits; and report in writing to the Board his or her conclusions and recommendations on medical matters referred to him or her by the Board. The Medical Director shall be directly responsible to, and shall hold office at the pleasure of, the Board.
(1958 Code, § 26-12)

292.12. Actuary.

The Board of Trustees shall appoint an actuary, who shall be the technical advisor to the Board on matters regarding the operation of the retirement system, and he or she shall perform such other duties as are required of him or her under this chapter.
(1958 Code, § 26-13)

292.13. Actuarial investigation; adoption of tables of experience and rates of interest.

At least once in each five-year period, the Board of Trustees shall cause an actuarial investigation to be made into the mortality, service and other experiences of members, retirants and beneficiaries. On the basis of such actuarial investigation, the Board shall adopt for the retirement system such mortality, service and other tables of experience as are necessary in the operation of the system on an actuarial basis and shall adopt for the system a rate or rates of regular interest.
(Ord. No. 707, 9-30-85)

292.14. Membership in system.

(a) The membership of the retirement system shall include all employees, as defined in Section 292.01(h), and all persons who become employees, except as provided in subsection (b) hereof.

(b) The membership of the retirement system shall not include:

(1) Employees who are employed by the Board of Water and Light;

(2) Employees who are members of the Policemen's and Firemen's Retirement System, as set forth in Chapter 294;

(3) Except as provided in Section 292.14(d) and Section 292.14(e), employees hired on or after the effective date of this section (Ordinance 540, passed June 25, 1979) who are retirants receiving or entitled to receive a retirement allowance, a deferred retirement allowance or a disability retirement allowance from the Policemen's and Firemen's Retirement System;

(4) Employees of the Housing Commission who have executed a request to transfer to the Michigan Municipal Employees Retirement System and a release of the City and the retirement system from future pension claims, and any employees of the Housing Commission hired after April 16, 1988;

(5) Employees who are employed in positions normally requiring less than 2,000 hours of work per year; and

(6) Employees excluded from membership as provided in subsection (c) hereof.

(c) (1) An employee, hired into a covered position on or after the covered position's effective date, who was not a member of the retirement system on the day before his or her date of hire, shall not become a member of the retirement system. An elected official, exempt or appointed employee, or executive management plan employee, who is employed in a covered position on the covered position's effective date, who was a member of the retirement system on the day before the covered position's effective date, and who elects, on or before April 1, 1991, to terminate membership, shall cease to be a member of the retirement system effective on the first day of the first calendar month which is at least 120 days after the covered position's effective date. A teamster supervisory or non-supervisory employee, or an employee of the District Court, who is employed in a covered position on the covered position's effective date, who was a member of the retirement system on the day before the covered position's effective date, and who elects on or before April 29, 1991, to terminate membership, shall cease to be a member of the retirement system effective on the first day of the first calendar month which is at least 120 days after the covered position's effective date. Any FOP 911 Operators' Division employee employed in a covered position on the covered position's effective date, who was a member of the retirement system on the day before the covered position's effective date, and who elected, on or before May 31, 1993, to terminate membership, shall cease to be a member of the retirement system effective on the first day of the first calendar month which is at least 120 days after the covered position's effective date. An employee who is transferred into a covered position on or after the covered position's effective date, from a position that was not a covered position, who was a member of the retirement system on the day before the transfer, and who elects, within ninety days of the transfer, to terminate membership, shall cease to be a member of the retirement system effective on the first day of the first calendar month which is at least 120 days after the transfer. The election to terminate membership shall be one time and irrevocable. The method of election shall be determined by the Board of Trustees. An employee who elects to terminate membership in accordance with this subsection shall waive all rights to a pension, annuity, retirement allowance or return of accumulated contributions, except as provided in Section 292.311, effective on the date of termination of membership.

(2) An executive management plan or exempt employee of the City and a City Teamster 580 or 214 supervisory and non-supervisory employee included in Subsection 292.14(c)(1) shall become a member of the retirement system, beginning on October 1, 2000, if the employee elected an option, filed with the Board, to return to membership of the retirement system by September 1, 2000.

(3) A District Court Teamster or District Court exempt employee included in Subsection 292.14(c)(1) shall become a member of the retirement system, beginning on October 1, 2000, if the employee elected an option, filed with the Board, to return to membership of the retirement system by September 22, 2000.

(4) A FOP 911 Operators' Division employees included in Subsection 292.14(c)(1) shall become a member of the retirement system, beginning on May 1, 2001, if the employee elected an option, filed with the Board to return to membership of the retirement system by April 20, 2001.

(d) Effective October 1, 2003, and commencing on said date, notwithstanding anything in this chapter to the contrary, any employee in any of the following classifications who was an active member of the defined contribution plan on September 30, 2003, shall be deemed a member as of October 1, 2003; any employee hired into any of these classifications after September 30, 2003, shall be a member as of that employee's hire date:

(1) Exempt.

- (2) Executive management plan.
- (3) Teamster 580.
- (4) Teamster 214.
- (5) Mayoral staff.
- (6) Council staff.

The service credit vesting and multiplier calculations for these members shall be as set forth in Sections 292.20 and 292.21.

(e) Effective December 1, 2003, and commencing on said date, notwithstanding anything in this chapter to the contrary, any employee in any of the following classifications who was an active member of the defined contribution plan on November 30, 2003, shall be deemed a member as of December 1, 2003; Any employee hired into any of these classifications after November 30, 2003, shall be a member as of that employee's hire date:

- (1) District court exempt.
- (2) District court teamster.

The service credit vesting and multiplier calculations for these members shall be as set forth in Sections 292.20 and 292.21.

(f) In any case of doubt as to the retirement system membership status of any employee, the Board of Trustees shall decide the question.

(Ord. No. 908, 1-17-95; 960, 12-9-96; Ord. No. 1030, § 1, 5-7-01; Ord. No. 1017, § 1, 9-29-03)

292.145. Re-employment of a retirant.

In the event a retirant, who retired under Section 292.20, returns to the employ of the City, the following conditions shall apply:

(a) He or she shall again become a member of the retirement system, notwithstanding his or her status of retirant.

(b) During the period of his or her re-employment by the City, payment of his or her retirement allowance shall be suspended. Upon his or her subsequent separation from City employment, payment of his or her retirement allowance shall be resumed without change.

(c) Upon his or her subsequent separation from City employment, he or she shall be entitled to another retirement allowance computed according to Section 292.21, regardless of the number of years of credited service acquired during such re-employment. His or her retirement shall be computed on the basis of the number of years and months of credited service acquired by him or her during the period of his or her re-employment and his or her final average compensation determined for the period of such re-employment. Upon his or her subsequent retirement, he or she shall have the right to elect an option, provided in Section 292.27, with respect to such subsequent retirement allowance.

(d) In lieu of receiving a retirement allowance provided in this section, he or she shall have the right to the return of his or her accumulated contributions acquired during the period of such re-employment by the City.

(e) During the period of his or her re-employment by the City, Sections 292.23, 292.24, 292.25, 292.28, 292.29 and 292.30 shall not apply with respect to him or her.

(Ord. No. 515, 9-5-78)

292.15. Restoration of credited service in certain cases.

Should any member of the retirement system no longer be employed by the City, for any reason other than retirement or death, he or she shall thereupon cease to be a

member and his or her credited service at that time shall be forfeited by him or her, unless otherwise provided in this chapter. If he or she is re-employed by the City, he or she shall again become a member. If his or her re-employment occurs within a period of four years from and after the date of his or her last separation from City employment, or in other cases of special circumstance upon approval of Council, after review and recommendation by the Board of Trustees, his or her credited service last forfeited by him or her shall be restored to his or her credit, subject to Section 292.35(e). If a member becomes a retirant, he or she shall thereupon cease to be a member and shall not again become a member, unless otherwise provided in this chapter. If a member dies, he or she shall thereupon cease to be a member.
(Ord. No. 526. Passed 2-12-79)

292.155. Purchase of service credit.

(a) (1) A member of the retirement system may elect to purchase service credit for prior full-time service as an employee with the City, upon request, upon verification of the employment by documentation satisfactory to the Board of Trustees and upon payment to the retirement system of an amount equal to 14.9 percent of the member's current annual rate of compensation, including longevity bonus, multiplied by each year and fraction of a year of service to be purchased.

(2) As used in this section, "service as an employee with the City" consists of prior full-time employment with the City or its boards and commissions, or with the District Court, which employment has not already been credited to the member's service account and for which the member would not otherwise be entitled to a service credit, but for this section; "service as an employee with the City" includes periods during which the member's income from the City or its boards or commissions, or from the District Court, consisted of Workers' Compensation payments, provided the member has not already received credit for such service or is not otherwise entitled to service credit for such periods.

(3) In order to purchase service credit pursuant to this section, a member must elect to do so in writing prior to July 16, 1988, and, within thirty days of such election, pay in one lump sum the amount required by subsection (a) hereof.

(b) (1) An employee who elects an option to return as a member of the employees' retirement system pursuant to Subsections 292.14(c)(2) through (c)(4) may purchase service credits. Service credits purchased pursuant to this option shall be actuarially determined at 83.9 percent of the employees' retirement system's actuarially accrued liability as of October 1, 2000; except for a FOP 911 Operators' Division employee's date for determining the actuarially accrued liability shall be as of May 1, 2001. A City executive management plan employee, exempt employee, or a Teamsters 580 and 214 supervisory and non-supervisory employees shall have until September 1, 2000 to purchase service credits. A district court teamster or district court exempt employee shall have until September 22, 2000 to purchase service credits. A FOP 911 Operators' Division employee shall have until April 20, 2001 to purchase service credits.

(2) The ceiling amount of service credits that may be purchased by these employees shall be in accordance with Section 292.01(f) and (r) including the time the employee was excluded pursuant to Section 292.14(c)(1).

(3) An employee, who becomes a member pursuant to Section 292.14(d) or Section 292.14(e), may purchase service credits in accordance with Section 292.20(a)(2).

(Ord. No. 786, 6-27-88; Ord. No. 1030, § 1, 5-7-01; Ord. No. 1071, § 1, 9-29-03)

292.16. Furnishing information to board.

Under such rules and regulations as the Board of Trustees from time to time adopts, each member shall furnish such information as the Board may require for the proper operation of the retirement system.
(1958 Code, § 26-17)

292.17. Rules governing service credit.

(a) The Board of Trustees shall fix and determine, by appropriate rules and regulations consistent with this chapter, the amount of service to be credited a member in any calendar year, but in no case shall less than ten days of service rendered by the member in any calendar month be credited as a month of service, nor shall less than eight months of service rendered by the member in any calendar year be credited as a year of service, nor shall more than one year of service be credited any member for all service rendered by the member in any calendar year.

(b) Credited service shall be forfeited and no longer in force if the individual's accumulated contributions are withdrawn from the employees' savings fund and paid to the individual or a beneficiary, including an estate, except as provided in Section 292.28.

(c) A member may have forfeited credit service restored to the member's account upon satisfaction of each of the following conditions:

(1) Membership recommences within four years from and after the last date of termination of membership.

(2) The retirement system is paid the total amount of accumulated contributions previously withdrawn, plus regular interest from, or withdrawal to, the date of repayment. Repayment shall be made in accordance with Section 292.35(e).

(Ord. No. 707, 9-30-85)

292.18. Military service credit.

A member who, while employed by the City, the District Court or the Housing Commission, entered or enters the military service of the United States Government during time of war or any period of compulsory military service, shall have such military service credited in the same manner as if the member had served the City, the District Court or the Housing Commission without interruption, provided that:

(a) The member re-enters the employ of the same local employer within one year from the date of termination of the military service actually required of the member.

(b) The member returns to the employees' savings fund all amounts the member might have withdrawn therefrom at the time the member entered or while in such military service, together with regular interest thereon from the date of withdrawal to the date of repayment.

(c) In no case shall any member be credited with more than five years of City service for all such military service rendered by the member.

In any case of doubt as to the amount of such military service to be credited any member, the Board of Trustees shall have final power to determine such amount. During a member's military service in the Federal Government and until the member's re-employment with the same local employer, the member's contributions into the employees' savings fund shall be suspended and the member's balance therein shall be accumulated at regular interest.

(Ord. No. 707, 9-30-85)

292.19. Credit to member's service account.

Subject to this chapter and to such rules and regulations as the Board of Trustees may from time to time adopt, the Board shall credit each member's service account with the number of years and months of service to which he or she is entitled. (1958 Code, § 26-20)

292.20. Retirement age and service requirements.

(a) Except as provided in subsection (b), (c) or (d) hereof, any member who either has attained or attains the age of fifty-eight years and has eight or more years of credited service, or has attained or attains the age of fifty-five years and has twenty-five or more years of credited service, may retire upon his or her written application to the Board of Trustees setting forth at what time, neither less than thirty days nor more than ninety days, subsequent to the execution and filing thereof, such member desires to be retired. Upon retirement, the member shall receive a retirement allowance as provided in Section 292.21.

(1) For vesting purposes of this section only, and not for purposes of service retirement allowance multiplier calculations under Section 292.21, a member, who becomes a member pursuant to Section 292.14(d) or Section 292.14(e), shall receive credited service equal to the number of years and full months that the member accrued while enrolled in the defined contribution plan. For service retirement allowance multiplier calculations under Section 292.21, a member, who become a member pursuant to Section 292.14(d) or 292.14(e), shall be entitled to a multiplier of zero (0) years and full months of credited service based upon longevity in the defined contribution plan unless Section 292.21 credited service allowance is purchased by the member pursuant to Section 292.20(a)(2).

(2) A member, who becomes a member pursuant to Section 292.14(d) or Section 292.14(e), may purchase service credits eligible for inclusion in Section 292.21 multiplier calculations upon the lump sum payment to the retirement system in an amount determined by the retirement system actuary for the particular member. For a Section 292.14(d) member, such payment must be made no later than December 31, 2003, or the ninetieth day after the date of mailing of the letter to the member containing the actuarial determination, whichever shall last occur. For a Section 292.14(e) member, such payment must be made no later than February 1, 2004, or the ninetieth day after the date of mailing of the letter to the member containing the actuarial determination, whichever shall last occur. A member may not purchase service credits for Section 292.21 purposes in excess of the credited service the member is entitled to under Section 292.20(a)(1) based upon longevity in the defined contributions plan.

(b) Effective June 30, 1987, a member who is associated with the FOP Park Security Division and who either has attained or attains the age of fifty-eight years and has eight or more years of credited service, or has attained or attains the age of fifty years and has twenty-five or more years of credited service, may retire upon written application to the Board setting forth at what time, neither less than thirty days nor more than ninety days, subsequent to the execution and filing thereof, such member desires to be retired. Upon retirement, the member shall receive a retirement allowance, as provided in Section 292.21. Effective December 1, 1989, a member who has twenty-five years of credited service may retire regardless of his or her age.

(c) Effective November 1, 1995, a member who is associated with United Auto Workers Local 2256 and who either has attained or attains the age of fifty-eight years and has eight or more years of credited service, or who has attained the age of fifty years and has twenty-five or more years of credited service, may retire upon his or her written application to the Board setting forth at what time, neither less than thirty days nor more than ninety days, subsequent to the execution and filing thereof, such member

desires to be retired. Upon retirement, the member shall receive a retirement allowance as provided in Section 292.21.

(d) A member, employed in a covered position on or after the covered position's effective date, who does not elect to terminate membership as provided in Section 292.14(c)(1) or has elected to return to the employees' retirement system as a member pursuant to Section 292.14(c)(2) through (c)(4), who has eight or more years of credited service, and whose years and full months of attained age, when added to the years and full months of credited service, equal or exceed sixty-five years, may retire upon his or her written application to the Board. Such application shall set forth at what time, neither less than thirty nor more than ninety days subsequent to the execution and filing thereof, the member desires to be retired. Upon the member's retirement, the member shall receive a retirement allowance as provided in Section 292.21. The foregoing notwithstanding, this provision shall not be operative for any FOP 911 Operators' Division employees, except as follows:

(1) Any FOP 911 Operators' Division employee satisfying said formula between December 1, 1992, and May 31, 1993, is eligible to retire during said window of opportunity, pursuant to an Act 312 arbitration award.

(2) Thereafter, any FOP 911 Operators' Division employee, satisfying said formula on or after August 20, 1994, shall be eligible to retire in accordance with said formula.

(e) Further, without regard to whether they were employed in covered positions at the time of retirement, vested employees from the following employee groups are eligible for retirement in accordance with said "sixty-five point" formula, retroactive to their retirement dates:

(1) Teamster supervisory and non-supervisory, exempt and appointed employees and executive management plan employees retiring in accordance with said "sixty-five point" formula pursuant to the terms of the early retirement incentives approved by Council on April 18, 1988; and

(2) Any FOP Parks Security Division employee retiring in accordance with the terms of the agreement concerning the impact of layoffs on the Parks Security Division, dated June 15, 1992.

(f) Notwithstanding any other subsection of this section, or any other section of this chapter, to the contrary, and in confirmation and ratification nunc pro tunc of a certain memorandum of understanding between the City and Teamsters Local 580, regarding voluntary reduction in force (ratified and accepted as a binding collective bargained agreement by Council Resolution No. 201 on April 13, 1992) and Resolution No. 382 adopted by Council on July 13, 1992, members described in Section 292.14 who were then in the following classifications: Local 580 Teamsters supervisory and clerical/technical/professional bargaining units (excluding the District Court bargaining unit), executive management plan employees, non-bargaining unit City employees and exempt District Court employees (except the District Court judges), but excluding elected City officials, and who met all of the following criteria:

(1) Retired on or after July 1, 1992, and by January 4, 1993; and

(2) Signed and delivered to the City not later than December 1, 1992, the requisite written notice of intent to exercise the right to receive certain early retirement incentives contained in said memorandum and Resolution No. 201; and

(3) Without retirement incentives, had eight or more years of service credit.

Are granted the additional five years of service credit and the increased benefit multiplier of 2.75 percent as described and contained in said memorandum. Notwithstanding such increased service credit and benefit multiplier, no annual benefit payment shall exceed the limitations as prescribed by Internal Revenue Code Section 415.

(g) The adoption of the provisions of subsection (f) hereof shall not be deemed nor construed as a waiver, release or relinquishment of any rights of the City or the Board of Trustees to pursue civil or criminal actions against any individual(s) who may have committed or participated in actions, or omissions to act, of misfeasance, malfeasance, breach of fiduciary duty, breach of public trust, negligence or any kind of wrongdoing whatsoever in connection with the implementation and/or adoption of the 1992 early retirement plan, which is being codified in certain respects by subsection (f) hereof.

The City and the Board of Trustees hereby respectively reserve the right and any claim or defense to discontinue, deny or recoup the benefits contained in subsection (f) hereof to and from any member or benefit recipient upon a finding that such member or recipient committed or participated in acts, or omissions to act, of misfeasance, malfeasance, breach of fiduciary duty, breach of public trust, negligence or any kind of wrongdoing whatsoever in connection with the implementation and/or adoption of the 1992 early retirement plan as codified in subsection (f) hereof. The City and the Board of Trustees hereby also reserve the right to deny, withhold or recoup the benefits contained in subsection (f) hereof to and from any member or recipient upon a finding that any member or recipient elected retirement under the 1992 early retirement plan with knowledge that said plan was improperly adopted by Resolution No. 201 of 1992 or otherwise improperly adopted, or elected retirement with the knowledge that said member or recipient had no legal entitlement to such early retirement benefits, or that such entitlement was significantly questionable under the City Charter, general law of the State or ordinance of the City Charter, law or ordinance.

(Ord. No. 913, 4-17-95; Ord. No. 1030, § 1, 5-7-01; Ord. No. 1071, § 1, 9-29-03)

292.21. Age and service retirement allowance.

(a) Upon retirement, a member shall receive a straight life retirement allowance and shall have the right to elect to receive a retirement allowance under an option provided in Section 292.27 in lieu of a straight life retirement allowance. Such member's straight life retirement allowance shall consist of the following benefits:

(1) An annuity which shall be the actuarial equivalent of accumulated contributions standing to the member's credit in the employees' savings fund at the time of retirement; and

(2) A pension which, when added to the member's annuity, shall provide a straight life retirement allowance equal to the number of years, and fraction of a year, of the member's credited service multiplied by two percent of the member's final average compensation, except as modified by the following:

A. For such retirements on or after February 1, 1992, the multiplier shall be 2.5 percent for a maximum of thirty-five years of credited service, 1.5 percent for credited service between thirty-five and forty years, and 1.0 percent for credited service between forty and forty-five years.

B. Employees retiring under subsection 292.21(a)(2)(A) shall not earn or accrue more than forty-five years of credited service.

C. For FOP 911 Bargaining Unit employees that retire on or after September 16, 1992, the multiplier shall be 2.5 percent for a maximum of thirty-five years of credited service, 1.5 percent for credited service between thirty-five and forty years, and 1.0 percent for credited service between forty and forty-five years, and zero percent for credited service in excess of forty-five years.

D. For Executive Plan Exempt, Teamster 580 and 214, and District Court exempt employees that retire on or after October 1, 2002, the multiplier shall be 2.75 percent for the first 35 years of service. In no case shall a pension exceed one hundred percent of their average compensation except as allowed by law.

E. Except as provided in Section 292.21(a)(2)(E)(i), for executive plan, exempt, Teamster 580 and Teamster 214, mayoral staff and council staff employees that retire on or after October 1, 2003, the multiplier shall be 2.8 percent for the first 35 years of service. In no case shall a pension exceed one hundred percent of their final average compensation except as allowed by law. In no case shall a pension exceed one hundred percent of their final average compensation except as allowed by law.

(i) Notwithstanding anything in this section to the contrary, for members who become members pursuant to Section 292.14(d) the multiplier shall be 1.6 percent. In no case shall a pension exceed one hundred percent of a member's final average compensation except as allowed by law. For purposes of the multiplier under this section only, and not for vesting purposes under Section 292.20, credited service shall be such credited service earned by the member subsequent to October 1, 2003, and any additional service credit purchased by a member pursuant to Section 292.20(A)(2).

F. Except as provided in Section 292.21 (a)(2)(F)(i), for District Court exempt employees that retire on or after December 1, 2003, the multiplier shall be 2.8 percent for the first 35 years of service. In no case shall a pension exceed one hundred percent of their final average compensation except as allowed by law.

(i) Notwithstanding anything in this section to the contrary, for members who become members pursuant to Section 292.14(e) the multiplier shall be 1.6 percent. In no case shall a pension exceed one hundred percent of a member's final average compensation except as allowed by law. For purposes of the multiplier under this section only, and not for vesting purposes under Section 292.20, credited service shall be such credited service earned by the member subsequent to December 1, 2003, and any additional service credit purchased by a member pursuant to Section 292.20(A)(2).

G. For District Court Teamster employees that retire on or after October 1, 2000, the multiplier shall be 2.25 percent for the first 35 years of credited service. In no case shall a pension exceed one hundred percent of their final average compensation except as allowed by law.

H. Except as provided in Section 292.21 (a)(2)(H)(i), for District Court teamster employees that retire on or after December 1, 2003, the multiplier shall be 2.3 percent. In no case shall a pension exceed one hundred percent of their final average compensation except as allowed by law.

(i) Notwithstanding anything in this section to the contrary, for members who become members pursuant to Section 292.14(e) the multiplier shall be 1.6 percent. In no case shall a pension exceed one hundred percent of a member's final average compensation except as allowed by law. For purposes of the multiplier under this section only, and not for vesting purposes under Section 292.20, credited service shall be such credited service earned by the member subsequent to December 1, 2003, and any additional service credit purchased by a member pursuant to Section 292.20(a)(2).

I. For UAW employees that retire on or after March 1, 2001, the multiplier shall be 2.75 percent for the first 35 years of service. In no case shall a pension exceed one hundred percent of their final average compensation except as allowed by law.

J. For FOP 911 Operators' Division employees that retire on or after May 1, 2001, the multiplier shall be 2.75 percent for the first 35 years of service. In no case shall a pension exceed one hundred percent of their final average compensation except as allowed by law.

K. Except as provided in Section 292.21(a)(2)(E)(i), for an elected and appointed employees who is a member and retires on or after July 1, 2001, the multiplier shall be 2.75 percent for the first 35 years of service.

L. Any member or employee who hires or transfers on or after October 1, 2003, into a position within a different bargaining unit or employee group classification of executive

management plan, exempt, mayoral staff, council staff and District Court exempt, shall only receive the service credit multiplier for the new position bargaining unit or employee group classification for credited service after said transfer or hire date and shall retain the bargaining unit or employee group classification multiplier, if any, for credited service before October 1, 2003 in the bargaining unit or employee group classification from which the employee transferred.

(3) The foregoing notwithstanding, any member of the following employee groups shall receive a pension which, when added to the member's annuity, shall provide a straight life retirement allowance equal to the number of years, and fraction of a year, of the member's credited service multiplied by 2.5 percent of the member's final average compensation:

A. Teamster supervisory and non-supervisory, exempt and appointed employees and executive management plan employees retiring in accordance with the terms of the early retirement incentive approved by Council on April 18, 1988; and

B. Any FOP Parks Security Division employee retiring in accordance with the terms of the agreement concerning the impact of layoff on the Parks Security Division, dated June 15, 1992.

(b) According to such rules and regulations as the Board of Trustees may from time to time adopt, any member who retires prior to the attainment of the age of sixty-five years may elect to have his or her straight life retirement allowance actuarially equated to provide an increased retirement allowance payable to the member's attainment of the age of sixty-five years and a reduced retirement allowance payable thereafter. The member's increased retirement allowance payable to the member's attainment of the age of sixty-five years shall approximate the sum of the member's reduced retirement allowance payable after the attainment of the age of sixty-five years and the member's estimated Social Security primary insurance amount.

(c) If a retirant dies before having received, in straight life retirement allowance payments, an aggregate amount equal to his or her accumulated contributions standing to his or her credit in the employees' savings fund at the time of his or her retirement, the difference between the member's accumulated contributions and the aggregate amount of straight life retirement allowance payments received by the member shall be paid from the retirement reserve fund to such person as the member nominates by written designation duly executed and filed with the Board. If there is no such designated person surviving the retirant, such difference, if any, shall be paid to the retirant's legal representative. No benefits shall be paid under this subsection on account of the death of a retirant if the member had elected option 1, A or B as provided in Section 292.27.

(d) It is acknowledged that compensation, including retirement benefits, is determined for elected officials by the Lansing Elected Officers Compensation Commission (EOCC) and that the EOCC has, through its official determinations, approved and ratified the retirement benefits of eligible elected officials as contained in this employees' retirement system chapter. When the EOCC, pursuant to its duties and authority, determines retirement benefits that become effective for eligible elected officials and those benefits are not already included but are to be a part of this chapter, this chapter shall be amended accordingly.

(Ord. No. 908, 1-17-95; Ord. No. 1030, § 1, 5-7-01; Ord. No. 1071, § 1, 9-29-03)

292.22. Deferred retirement allowance.

(a) If any member who has eight or more years of credited service separates from the employ of the City, the District Court or the Housing Commission, prior to the member's attainment of the age of fifty-eight years, except through retirement, or death, such member shall be entitled to a retirement allowance as provided in Section 292.21, as the

section was in force at the time of the member's separation from employment with the City, the District Court or the Housing Commission, provided that the member does not withdraw his or her accumulated contributions from the employees' savings fund. The member's retirement allowance shall begin the first day of the calendar month next following the month in which his or her application for the same is filed with the Board of Trustees on or after the member's attainment of the age of fifty-eight years. During the period of the member's absence from employment with the City, the District Court or the Housing Commission, regular interest shall be credited to the member's accumulated contributions standing to his or her credit in the employees' savings fund.

(b) If any member who has eight or more years of credited service separates from the employ of the City, the District Court or the Housing Commission prior to the attainment of the age of fifty-eight years, except through retirement or death, and if the member thereafter dies prior to attainment of the age of fifty-eight years, the designated surviving spouse shall be entitled to a retirement allowance as provided in Section 292.27, Option A, as such section was in force at the time of the member's separation from employment with the City, the District Court or the Housing Commission, provided that the member does not withdraw any accumulated contributions from the employees' savings fund. The designated surviving spouse's retirement allowance shall begin the first day of the calendar month next following the month in which the designated surviving spouse files an application for the same with the Board on or after the date the deceased former member would have attained the age of fifty-eight years. During such deferral period, regular interest shall be credited to the deceased former member's accumulated contributions standing to his or her credit in the employees' saving fund.

(c) For a member, employed in a covered position on or after the covered position effective date, who does not elect to terminate membership as provided in Section 292.14(c)(1), the commencement age of fifty-eight years provided in subsections (a) and (b) hereof shall be replaced by a commencement age that is the earlier of:

(1) The age of fifty-eight years; or

(2) The age, in years and full months, which, when added to the member's years and full months of credited service, equals or exceeds sixty-five years.

(d) Any member who had five or more years of credited service and was transferred from the employ of the City to the employ of the County Health Department on July 1, 1947, shall remain a member during the period of employment by the County Health Department. Whenever the sum of City credited service and County credited service equals at least ten years, the member shall become entitled to a deferred retirement allowance computed according to Section 292.21 upon the basis of the member's City credited service. In determining the member's final average compensation, the member's compensations paid by the County Health Department shall be treated as if they were paid by the City. The retirement allowance shall begin the first day of the calendar month next following the month in which the member's application for the same is filed with the Board on or after the member's attainment of the age of sixty years, or the member's retirement from County employment, whichever is later. If the member withdraws all or part of his or her accumulated contributions from the employees' savings fund, he or she shall thereupon cease to be a member and shall forfeit all rights in and to a deferred retirement allowance as provided for in this section.

(e) For a member separating from City service pursuant to the early retirement incentives, approved by the Council on April 18, 1988, the commencement age of fifty-eight years provided in subsections (a) and (b) hereof shall be replaced by a commencement age that is the earlier of the age of fifty-eight years, or the age in years and full months which, when added to the member's years and full months of credited service, equals or exceeds sixty-five years.

(Ord. No. 908, 1-17-95; Ord. No. 1030, § 1, 5-7-01)

292.23. Total and permanent disability.

(a) Upon the application of a member, or the member's department head, the Chief District Judge or the Housing Commission Director on the member's behalf, a member who is in the employ of the City, the District Court or the Housing Commission, has ten or more years of credited service and becomes totally and permanently incapacitated for duty in the employ of the City, the District Court or the Housing Commission by reason of a personal injury or disease, may be retired by the Board of Trustees, provided that:

(1) After a medical examination of the member made by or under the direction of the Medical Director, the Medical Director certifies to the Board that the member is mentally or physically totally incapacitated for duty in the employ of the City, the District Court or the Housing Commission and that such incapacity will probably be permanent; and

(2) The report of the Medical Director is concurred in by the Board.

(b) The ten-year service requirement provided for in subsection (a) hereof shall be waived for a member if:

(1) The Board finds that the member is totally and permanently incapacitated for duty in the employ of the City, the District Court or the Housing Commission as the natural and proximate result of a personal injury or disease arising out of and in the course of the actual performance of duty in the employ of the City, the District Court or the Housing Commission; and

(2) The member is in receipt of workers' compensation on account of his or her total and permanent incapacity occurring as the result of employment with the City, the District Court or the Housing Commission.

(Ord. No. 707, 9-30-85)

292.24. Computation of benefits for nonduty disability.

If a member retires on account of total and permanent disability, as provided in Section 292.23, and the Board of Trustees finds that such member's disability did not occur as the result of causes arising out of and in the course of the member's actual performance of duty in the employ of the City, the District Court or the Housing Commission, the member shall receive a disability retirement allowance computed according to Section 292.21, exclusive of subsection (b) thereof. In no case shall the member's disability retirement allowance be less than fourteen percent of his or her final average compensation. The member's disability retirement allowance shall be subject to Sections 292.32, 292.33 and 292.34. Upon the member's retirement, he or she shall have the right to elect to receive a retirement allowance under an option provided in Section 292.27 in lieu of a straight life retirement allowance.

(Ord. No. 707, 9-30-85)

292.25. Computation of benefits for duty disability.

If a member retires before attainment of the age of sixty years on account of total and permanent disability, as provided in Section 292.23, and the Board of Trustees finds that the member's disability is the natural and proximate result of causes arising out of and in the course of the member's actual performance of duty in the employ of the City, the District Court or the Housing Commission, the member shall receive a disability retirement allowance computed according to Section 292.21, exclusive of subsection (b) thereof. In computing the member's disability retirement allowance, the credited service to be used shall be the sum of the member's credited service in force at the date of retirement and the number of years, and fraction of a year in the period from the date of

the member's retirement to the date the member would attain the age of sixty years. During the workers' compensation period, the member's disability retirement allowance shall not exceed the difference between the member's final compensation and workers' compensation converted to an annual basis. The member's disability retirement allowance shall be subject to Sections 292.32, 292.33 and 292.34. Upon retirement, the member shall have the right to elect to receive a retirement allowance under an option provided in Section 292.27 in lieu of a straight life retirement allowance. Upon the attainment of the age of sixty years, the retirant shall be removed from disability retirement and transferred to age and service retirement, as provided in Section 292.21. (Ord. No. 707, 9-30-85)

292.26. Increase in benefits.

(a) The benefits calculated in Sections 292.21, 292.24 and 292.25 shall be increased as per this subsection. Effective February 1, 1984, benefits for retirant and beneficiaries whose effective date of retirement is before November 4, 1979, shall receive an increase. Such increase shall be calculated by this formula: one percent of the retirant's or beneficiary's benefit on February 1, 1984, times the number of full calendar years between the effective date of retirement and January 1, 1984.

(b) Except as provided in subsection 292.26(c), The benefits calculated in Sections 292.21, 292.24 and 292.25 shall be increased as per this subsection. Effective February 1, 1987, benefits for retirants and beneficiaries whose effective date of retirement is before November 4, 1982, shall receive an increase. This increase shall be calculated by this formula: three percent times the retirant's or beneficiary's benefit on February 1, 1987.

Effective January 1, 1998 each retirant and beneficiary whose effective date of retirement is before January 1, 1998 and whose retirement allowance is smaller than the minimum retirement allowance provided in this subsection, shall have his or her retirement allowance increased to the minimum retirement allowance. A person affected by Subsection 292.20(f) shall not be eligible for the minimum retirement allowance. A person whose retirement allowance is based on fewer than eight years of credited service, other than persons receiving retirement allowances under Section 292.25 or Section 292.28, shall not be eligible for the minimum retirement allowance. The minimum annual retirement allowance is the product of the point value, described in this subsection, times the sum of:

The number of full years between the retirant's or beneficiary's effective date of retirement and January 1, 1998, plus one and one-half (1 1/2) times the number of full years of credited service upon which the retirant's or beneficiary's retirement allowance is based. For a person receiving a retirement allowance provided in Section 292.25 or Section 292.28 a minimum of twenty years of credited service shall be used for purposes of this paragraph.

The point value is one of the following:

For a retirant who elected Option A provided in Section 292.27, or a beneficiary of such a retirant, the point value is \$100.00 times the ratio of the retirant's original Option A retirement allowance divided by the retirant's original straight life retirement allowance; or

For a retirant who elected Option B provided in Section 292.27, the point value is \$100.00 times the ratio of the retirant's original Option B retirement allowance divided by the retirant's original straight life retirement allowance; or

For the beneficiary of a retirant who elected Option B provided in Section 292.27, the point value is \$50.00 times the ratio of the retirant's original Option B retirement allowance divided by the retirant's original straight life retirement allowance; or

For all other retirant's and beneficiaries the point value is \$100.00.

The cost of this minimum retirement allowance provision shall be borne by the December 31, 1997 contingency reserve in the retirement reserve fund.

Effective January 1, 1999 and each January 1 thereafter, the retirement allowance will be increased for each retirant and beneficiary who meets both of the following conditions:

The retirant's or beneficiary's effective date of retirement is at least six months prior to the January 1 increase date, and

The retirant has attained the age of sixty years as of the January 1 increase date, or, in the case of a beneficiary the deceased retirant or deceased member would have attained the age of sixty years as of the January 1 increase date.

The retirement allowance increases are cumulative but not compounded. A person affected by Subsection 292.20(f) shall have his or her cumulative retirement allowance increase under this subsection reduced by the retirement allowance increase attributable to the 2.75% benefit formula and the five additional years of credited service provided in Section 292.20(f). A person affected by any early retirement window incentive benefit provision other than the provision in Section 292.20(f) shall have his or her cumulative retirement allowance increase under this subsection reduced by the retirement allowance increase attributable to the early retirement window incentive provision. A person whose retirement allowance is based on fewer than eight years of credited service, other than persons receiving retirement allowances under Section 292.25 or Section 292.28, shall not be eligible for the retirement allowance increases under this subsection. The amount of the annual increase in retirement allowance shall be three percent of the annual retirement allowance that would be payable in the absence of this subsection. However, the maximum annual increase will be one of the following:

For a retirant who elected Option A provided in Section 292.27, or a beneficiary of such a retirant, the maximum annual retirement allowance increase is \$200.00 times the ratio of the retirant's original Option A retirement allowance divided by the retirant's original straight life retirement allowance; or

For a retirant who elected Option B provided in Section 292.27, the maximum annual retirement allowance increase is \$200.00 times the ratio of the retirant's original Option B retirement allowance divided by the retirant's original straight life retirement allowance; or

For the beneficiary of a retirant who elected Option B provided in Section 292.27, the maximum annual retirement allowance increase is \$100.00 times the ratio of the retirant's original Option B retirement allowance divided by the retirant's original straight life retirement allowance; or

For all other retirants and beneficiaries the maximum annual retirement allowance increase is \$200.00.

In no event shall the cumulative retirement allowance increase provided in this subsection exceed, on a percentage basis, the cumulative increase in the consumers price index from the effective date of retirement to the January 1 increase date. The cost of the benefits provided in this subsection shall be borne by a portion of the investment income credited to the members benefit fund. Three-eighths ($\frac{3}{8}$) of the first eight percent investment income that is credited to the members' benefit fund is earmarked for this purpose.

The actuary shall report annually on the sufficiency of the members' benefit fund, based on that report.

The Board of Trustees may from time to time increase, but not decrease. The maximum annual retirement allowance increase amount in this subsection.

(c) Subsection 292.26(b) shall not apply to a retirant who becomes a member pursuant to Section 292.14(d) or Section 292.14(e).

(Ord. No. 747, 1-27-87; Ord. No. 995, § 1, 9-8-98; Ord. No. 1071, § 1, 9-29-03)

292.27. Retirement allowance options.

Any member may, prior to the effective date of his or her retirement, but not thereafter, elect to receive his or her retirement allowance as a straight life retirement allowance payable throughout his or her life and terminating at death, or he or she may elect to receive the actuarial equivalent of his or her straight life retirement allowance, at that time, in a reduced retirement allowance payable throughout his or her life, and nominate a beneficiary, in accordance with Option 1, A or B as follows:

Cash Refund Annuity - Option 1. If a retirant, who elected Option 1, dies before he or she has received in payment of the annuity portions of his or her reduced retirement allowance an aggregate amount equal to, but not exceeding, accumulated contributions standing to his or her credit in the employees' savings fund at the time of retirement, then the difference between his or her accumulated contributions and the aggregate amount of annuity payments received by him or her shall be paid to such person or persons as he or she nominates by written designation duly executed and filed with the Board of Trustees. If there is no such designated person surviving the retirant, then such difference, if any, shall be paid to his or her estate.

Joint and Survivor Allowance - Option A. Upon the death of a retirant who elected Option A, his or her reduced retirement allowance shall be continued throughout the life of and paid to such person, having an insurable interest in his or her life, as he or she had nominated by written designation duly executed and filed with the Board prior to the effective date of his or her retirement.

Modified Joint and Survivor Allowance - Option B. Upon the death of a retirant who elected Option B, one-half of his or her reduced retirement allowance shall be continued throughout the life of and paid to such person, having an insurable interest in his or her life, as he or she had nominated by written designation duly executed and filed with the Board prior to the effective date of his or her retirement.

(1958 Code, § 26-27)

292.28. Benefits for death incurred in line of duty.

(a) *Conditions for Benefits.* If a member dies as the result of a personal injury or disease arising solely and exclusively out of and in the course of employment by the City, the District Court or the Housing Commission, or if a disability retirant dies prior to attaining the age of sixty years and within a period of three years from and after the disability retirement as the result of the same injury or disease for which the member retired, and in either case the death, injury or disease resulting in death is found by the Board of Trustees to have occurred as the natural and proximate result of causes arising solely and exclusively out of and in the course of the actual performance of duty in the employ of the City, the District Court or the Housing Commission, then the applicable benefits provided in subsections (b), (c), (d) and (e) hereof shall be paid, subject to the condition that workers' compensation is paid on account of the death of the member or retirant.

(b) *Accumulated Contributions.* In the case of a deceased member, the accumulated contributions standing to such member's credit in the employees' savings fund at the time of death shall be paid in accordance with Section 292.31.

(c) *Surviving Spouse Benefits.* The surviving spouse shall receive a surviving spouse's pension equal to the surviving spouse's weekly workers' compensation

converted to an annual basis. Such pension shall begin upon termination of the surviving spouse's workers' compensation period and shall terminate upon death. As used in this section, "surviving spouse" means the person to whom the deceased member or retirant was married at the time such member's employment with the City, the District Court or the Housing Commission last terminated.

(d) *Children's Benefits.* Unmarried children under the age of twenty-one years shall each receive a child's pension equal to the child's weekly workers' compensation converted to an annual basis. Such child's pension shall begin upon termination of the child's workers' compensation period and shall terminate upon the attainment of the age of twenty-one years, or death, or marriage, whichever comes first. If the surviving spouse's pension is terminated, as provided in subsection (c) hereof, and if an unmarried child or children, under the age of twenty-one years, of the deceased member or retirant, outlive the surviving spouse, each such child's pension shall be increased by an equal share of the surviving spouse's pension.

(e) *Dependent Parents' Benefits.* The member's parent or parents shall receive a parent's pension equal to the parent's weekly workers' compensation converted to an annual basis. Such parent's pension shall begin upon termination of the parent's workers' compensation period and shall terminate upon remarriage or death, whichever occurs first.

(Ord. No. 707, 9-30-85; Ord. No. 980, § 1, 1-20-98)

292.29. Nonduty death benefits; election of option.

Any member who continues in the employ of the City, the District Court or the Housing Commission on or after the date such member acquires eight years of credited service may, at any time prior to the member's retirement, elect Option A as provided for in Section 292.27, in the same manner as if the member were then retiring from employment with the City, the District Court or the Housing Commission, and nominate a beneficiary whom the Board of Trustees finds to be dependent upon the member for at least fifty percent of the beneficiary's support due to lack of financial means. Prior to the effective date of retirement, a member may revoke the election of Option A and nomination of beneficiary, and may again elect Option A and nominate a beneficiary, as provided in this section. Upon the death or marriage or remarriage of such beneficiary prior to the effective date of the member's retirement, the election of Option A and nomination of beneficiary shall be automatically revoked. Upon the death of a member who has an Option A election in force, the member's beneficiary shall immediately receive a retirement allowance computed according to Section 292.21, exclusive of subsection (b) thereof, in the same manner in all respects as if the member had retired under an Option A election the day preceding the date of the member's death, notwithstanding that the member might not have attained the age of fifty-eight years. If a member has an Option A election and nomination of beneficiary in force at the time of retirement, then the member's election of Option A and nomination of beneficiary shall thereafter continue in force. However, within sixty days preceding the date of retirement, the member shall have the right to elect to take a retirement allowance as a straight life retirement allowance or under another option as provided in Section 292.27. No retirement allowance shall be paid under this section on account of the death of a member if any benefits are payable or are to be payable under Section 292.28 on account of the member's death.

(Ord. No. 707, 9-30-85)

292.30. Nonduty death benefits; option a provision.

Any member who continues in the employ of the City, the District Court or the Housing Commission on or after the date the member acquires eight years of credited service, and does not have an Option A election in force, as provided in Section 292.29, and dies while in the employ of the City, the District court or the Housing Commission, the surviving spouse shall immediately receive a retirement allowance computed according to Section 292.21, exclusive of subsection (b) thereof, as if such member had retired effective the day preceding the date of his or her death. No retirement allowance shall be paid under this section on account of the death of a member if any benefits are payable or are to be payable under Section 292.28 on account of the member's death. (Ord. No. 707, 9-30-85)

292.31. Return of accumulated contributions.

(a) If a member ceases to be an employee of the City before he or she has satisfied the age and service requirements for retirement, as provided in Section 292.20, and is not otherwise entitled to a retirement allowance, then he or she shall be paid his or her accumulated contributions standing to his or her credit in the employees' savings fund, upon his or her demand in writing on forms furnished by the Board of Trustees.

(b) Except as otherwise provided in this chapter, if a member dies before his or her retirement becomes effective, then his or her accumulated contributions standing to his or her credit in the employees' savings fund at the time of his or her death shall be paid to such person or persons as he or she had nominated by written designation duly executed and filed with the Board. If there is no such designated person surviving the deceased member, then his or her accumulated contributions shall be paid to his or her legal representative, subject to subsection (c) hereof.

(c) If a member dies without heirs and without having nominated a beneficiary, then his or her accumulated contributions standing to his or her credit in the employees' savings fund at the time of his or her death may be used to pay his or her burial expense, not to exceed a reasonable sum to be determined by the Board, provided that he or she leaves no other estate sufficient for such purpose.

(d) Payment of refunds of accumulated contributions may be made in installments according to such rules and regulations as the Board may, from time to time, adopt.

(e) If a member who terminates employment elects a refund of contributions and:

(1) Some or all of the refund is eligible for rollover treatment as defined by the Internal Revenue Service; and

(2) Elects to have such eligible distribution paid directly to an eligible retirement plan or IRA; and

(3) Specifies the eligible retirement plan or IRA to which such distribution is to be paid in such form and at such time as the distributing plan administration may prescribe.

The distribution will be made in the form of a direct trustee-to-trustee transfer to the specified eligible retirement plan.

(1958 Code, § 26-31; Ord. No. 960, 12-9-96)

292.311. Transfers of assets.

(a) For each employee who elects to terminate membership in the retirement system, pursuant to Section 292.14(c)(1), a lump sum amount will be transferred from the retirement system to a successor retirement plan qualified under Section 401(a) of the Internal Revenue Code. The amount transferred shall be the sum of:

(1) The accumulated contributions standing to the member's account in the Employees Savings Fund, the total amount of which shall be transferred from the Employees Savings Fund; and

(2) The excess, if any, of the funded portion of the member's actuarial present value of credited projected benefits, as of the date of membership termination, over the amount specified in subsection (a) hereof. Such excess shall be transferred from the pension accumulation funds. The funded portion shall be determined by the December 31, 1989, annual actuarial valuation, as prepared by the retirement system's actuary.

(b) Upon transfer of the above amounts, the employee shall waive all rights to a pension, annuity, retirement allowance or return of the accumulated contributions from the retirement system.

Each employee who elects to purchase service credits pursuant to subsections 292.155(b)(1), (2) and (3) may transfer from a retirement plan of the City of Lansing an amount required to purchase said service credits.

(Ord. No. 830, 1-22-91; Ord. No. 1030, § 1, 5-7-01; Ord. No. 1071, § 1, 9-29-03)

292.32. Re-examination of disability retirants.

At least once each year during the first five years following the retirement of a member with a disability retirement allowance, and at least once in every three-year period thereafter, the Board of Trustees may, or, upon the disability retirant's application, shall, require any disability retirant, who has not attained the age of sixty years, to undergo a medical examination to be made by or under the direction of the Medical Director. If any such disability retirant refuses to submit to such medical examination in any such period, the retirant's disability retirement allowance may be discontinued by the Board until the retirant withdraws such refusal. If such refusal continues for one year, all the retirant's rights in and to a disability retirement allowance may be revoked by the Board. If, upon such medical examination of a retirant, the Medical Director reports to the Board, and such report is concurred in by the Board, that the retirant is physically able and capable of resuming employment with the City, the retirant shall be re-employed by the City, the District Court or the Housing Commission and the disability retirement allowance shall terminate. In re-employing the retirant, reasonable latitude shall be allowed the City in placing the retirant in a position commensurate with the retirant's type of work and rate of compensation at the time of retirement.

(Ord. No. 707, 9-30-85)

292.33. Return to employment.

A disability retirant who has been or is being returned to the employ of the City, the District Court or the Housing Commission, as provided in Section 292.32, shall, from the date of his or her return, again become a member of the retirement system. The member's credited service in force at the time of his or her retirement shall be restored to the member's credit. The member shall be given service credit for the period he or she was receiving a disability retirement allowance provided for in this chapter, if, within such period, the member was in receipt of workers' compensation on account of total and permanent disability arising out of and in the course of his or her employment with the City, the District Court or the Housing Commission; otherwise the member shall not be given service credit for the period he or she was in receipt of a disability retirement allowance.

(Ord. No. 707, 9-30-85)

292.34. Adjustment of disability retirement allowance.

(a) If a disability retirant becomes engaged in a gainful occupation, business or employment, and the sum of pay or other remuneration from such occupation, business or employment and the retirant's disability retirement allowance exceeds the retirant's

final compensation, then the amount of the retirant's disability retirement allowance shall be reduced to an amount which, together with the amount so earned by the disability retirant, shall equal, but not exceed, the final compensation. For the purpose of this section only, a retirant's final compensation shall be increased two percent for each completed calendar year such retirant is in receipt of a disability retirement allowance. If the retirant's earnings are later changed, the disability retirement allowance shall be adjusted accordingly.

(b) Each disability retirant shall file with the Board of Trustees, at least annually, on forms furnished by the Board, a statement of his or her earnings, together with such supporting data as may be requested by the Board to establish a basis for determining earnings for operation of this section. The Board may from time to time adopt rules and regulations for defining earnings for purposes of application of this section. Failure by a disability retirant to submit required information upon written request by the Board may, at the discretion of the Board, subject the disability retirant to suspension of retirement allowance payments.

(Ord. No. 707, 9-30-85)

292.35. Employees' savings fund.

(a) There is hereby established an employees' savings fund. In it shall be accumulated, at regular interest, the contributions deducted from the compensations of members to provide their annuities, and from it shall be made transfers and refunds of accumulated contributions, as provided in this chapter.

(b) Until January 1, 1967, the contributions of a member to the retirement system shall be the sum of three percent of the first four thousand, two hundred dollars (\$4,200) of annual compensation plus five percent of the portion, if any, of the annual compensation which is in excess of four thousand, two hundred dollars (\$4,200). Beginning December 31, 1966, each member shall contribute to the retirement system three percent of his or her annual compensation, except as hereinafter provided:

(1) Beginning with pay periods ending on or after July 1, 1982, each of the following shall not contribute:

A. A member who is a part-time or full-time elected official; and

B. A member who is part of the executive pay plan.

(2) Beginning with pay periods ending on or after July 1, 1982, and through all pay periods ending before July 1, 1983, each of the following shall contribute 1.5 percent of the member's annual compensation:

A. A member who is unrepresented by a labor union, is not employed on a regular or permanent basis by the District Court, is not employed by the Housing Commission and is not described in paragraph (b)(1) hereof; and

B. A member who is represented by a union which has entered into a collective bargaining agreement providing for the contribution of not more than 1.5 percent of each member's annual compensation to the employees' savings fund.

(3) Beginning with pay periods ending on or after July 1, 1983, each of the following shall not contribute:

A. A member who is unrepresented by a labor union, is not employed on a regular or permanent basis by the District Court and is not described in paragraph (b)(1) hereof; and

B. A member who is represented by a union which has entered into a collective bargaining agreement which does not provide for its members to make any contribution to the employees' savings fund.

(4) Beginning with pay periods ending on or after October 1, 1987, teamster supervisory and non-supervisory bargaining unit employees, elected officials, exempt

and appointed employees and executive pay plan employees, shall contribute 2.5 percent of their wages to the employees' savings fund; effective October 1, 1988, said employees shall contribute 3.0 percent of their wages to the employees' savings fund; effective October 1, 1989, said employees shall contribute 4.0 percent of their wages to the employees' savings fund; effective July 1, 1992, said employees shall contribute 3.0 percent of their wages to the employees' savings fund; beginning with the pay date on or after October 1, 2000, said employees, except elected officials, shall contribute 3.25 percent of their wages to the employees' saving fund; and beginning with the pay date on or after July 1, 2001, elected officials shall contribute 3.25 percent of their wages to the employees' saving fund.

(5) Beginning with pay periods ending on or after October 1, 1987, District Court exempt employees shall contribute 4.0 percent of their wages to the employees' savings fund; and beginning with the pay date on or after October 1, 2000, said employees shall contribute 4.25 percent of their wages to the employees' saving fund.

(6) Beginning with the pay date on or after October 1, 2000, district court teamsters shall contribute 3.25 percent of their wages to the employees' saving fund.

(7) Beginning with pay periods ending on or after December 1, 1989, FOP Parks Security Division employees shall contribute 3.4 percent of their wages to the employees' savings fund.

(8) Beginning with pay periods ending on or after September 16, 1992, FOP 911 Operators' Division employees shall contribute 4.0 percent of their wages to the employees' savings fund. Effective with the pay period ending August 20, 1994, FOP 911 Operators' Division employees shall contribute 6.0 percent of their wages to the employees' savings fund. Beginning with the pay date on or after May 1, 2001, FOP 911 Operators' Division employees shall contribute 6.75 percent of their wages to the employees' saving fund.

(9) Beginning with the pay date on or after March 1, 2001, UAW employees shall contribute 1.70 percent of their wages to the employees' saving fund.

(10) Beginning with the first pay date on or after the stated date, every member who is an employee in the stated bargaining unit or employee group classification shall contribute as follows:

(A) Teamster 580, if a member of the retirement system pursuant to Section 292.14(d), he or she shall contribute 5.5 percent of his or her wages to the employees' savings fund on or after October 1, 2003.

(B) Teamster 580, if a member of the retirement system on September 30, 2003, he or she shall contribute 3.5 percent of his or her wages to the employees' savings fund on or after October 1, 2003.

(C) Exempt, executive management plan, Teamster 214, mayoral staff and council staff, if a member of the retirement system pursuant to Section 292.14(d), he or she shall contribute 6.5 percent of his or her wages to the employees' savings fund on or after October 1, 2003.

(D) Exempt, executive management plan, Teamster 214, mayoral staff and council staff, if a member of the retirement system on September 30, 2003, he or she shall contribute 3.50 percent of his or her wages to the employees' savings fund on or after October 1, 2003.

(E) District Court exempt and District Court teamster, if a member of the retirement system pursuant to Section 292.14(e), he or she shall contribute 5.5 percent of his or her wages to the employees' savings fund on or after December 1, 2003.

(F) District Court teamster, if a member of the retirement system on November 30, 2003, he or she shall contribute 3.50 percent of his or her wages to the employees' savings fund on or after December 1, 2003.

(G) District Court exempt, if a member of the retirement system on November 30, 2003, he or she shall contribute 4.5 percent of his or her wages to the employees' savings fund on or after December 1, 2003.

(c) The Director of Finance, or other officer responsible for making the payroll, shall cause the contributions provided in subsection (b) hereof to be deducted from the compensation of each member on each and every payroll, for each and every payroll period, so long as the member remains employed by the City, the District Court or the Housing Commission.

(d) The contributions provided for herein shall be made regardless of the fact that the minimum compensation provided by law for any member shall be changed thereby. Every member shall be deemed to consent and agree to the deductions made and provided for herein. Payment of the member's compensation less such deductions shall be a full and complete discharge and acquittance of all claims and demands whatsoever for the services rendered by such person during the period covered by such payments, except as to benefits provided under this chapter. When deducted, the contributions of each member shall be paid to the retirement system and shall be credited to the member's individual account in the employees' savings fund.

(e) In addition to the contributions deducted from compensation of a member as hereinbefore provided, a member shall, in order to qualify for prior service credit, deposit in the employees' savings funds, by single payment or by an increased rate of contribution as determined by the Board, the accumulated contributions, if any, which the member withdrew therefrom, together with regular interest from the date of withdrawal to the date of repayment. Repayment shall be made in accordance with rules which the Board shall from time to time determine. The rules shall not require full repayment prior to the date which is one year following the date of renewed membership, nor shall the rules permit full repayment to extend beyond the date which is four years following the date of renewed membership, or following the effective date of this amendment, whichever is later. If a member dies prior to completion of repayment and leaves a spouse, then the spouse may pay the balance due within sixty days of the member's death. In no case shall any member be given credit for service rendered prior to the date he or she withdrew the accumulated contributions, until he or she repays to the employees' savings fund all amounts due such fund by the member.

(f) Upon the retirement of a member, his or her accumulated contributions shall be transferred from the employees' savings fund to the retirement reserve fund. At the expiration of a period of five years from and after the date an employee ceases to be a member, any balance standing to the member's credit in the employees' savings fund, unclaimed by such member or the member's legal representative, shall remain a part of the moneys of the retirement system if no retirement allowance will become payable under this chapter on account of the member's employment with the City, the District Court or the Housing Commission.

(Ord. No. 908, 1-17-95; Ord. No. 960, 12-9-96; Ord. No. 1030, § 1, 5-7-01; Ord. No. 1071, § 1, 9-29-03)

292.36. Retirement reserve fund.

There is hereby established a retirement reserve fund. From it shall be paid all annuities and pensions payable, as provided in this chapter. If a disability reliant [retirant] returns to the employ of the City, the District court or the Housing Commission, the disability reliant's [retirant's] annuity reserve computed as of the date of his or her return shall be transferred from the retirement reserve fund to the employees' savings fund and shall be credited to the member's individual account therein and the member's pension reserve at the time shall be transferred to the pension accumulation fund. Effective

December 31, 1997, an amount shall be transferred from the retirement reserve fund to the members benefit fund so that after the transfer the December 31, 1997, balance in the retirement reserve fund is equal to the actuarial present value of retirement allowances to be paid after December 31, 1997, to all retardants [retirants] and beneficiaries in receipt of retirement allowances at December 31, 1997, including the actuarial present value of benefits provided in Subsection 292.26(c), but excluding the actuarial present value of benefits provided in Subsection 292.26(d). Effective December 31, 1998, and each December 31 thereafter, after receipt of the annual actuarial valuation, the balance in the retirement reserve fund shall be brought into balance with the actuarial present value of retirement allowances to be paid after December 31 to all retardants [retirants] and beneficiaries in receipt of retirement allowances at December 31, excluding the actuarial present value of all benefits provided in Subsection 292.26(d). Effective that same December 31, after the transfer provided in the previous sentence, an amount shall be transferred from the members benefit fund to the retirement reserve fund, such amount being equal to the estimated amount of benefits to be paid during the following calendar year pursuant to Subsection 292.26(d). (Ord. No. 707, 9-30-85; Ord. No. 995, § 1, 9-8-98)

292.37. Pension accumulation fund.

There is hereby established a pension accumulation fund. In it shall be accumulated reserves for the payment of pensions and other benefits payable from contributions made by the City. Upon the basis of such mortality and other tables of experience, and regular interest, as the Board of Trustees from time to time adopts, the actuary shall annually compute the annuity and pension reserves for annuities and pensions being paid retardants [retirants] and beneficiaries, and covering service rendered and to be rendered by members. The portion of the annuity and pension reserves not financed by members' contributions shall be financed by annual appropriations, to be made by council, determined according to paragraphs (1), (2) and (3) hereof.

(1) The appropriations for members current service shall be a percentage of their annual compensations that will produce an amount which, if paid annually by the City during their future service, will be sufficient to provide the reserves, at the time of the members retirements, for the pension portions of the retirement allowances to be paid them based upon their future service.

(2) The appropriations for members accrued service shall be a percentage of their annual compensations that will produce an amount to be determined by the board which, if paid annually by the City over a period of years, will amortize, at regular interest, the unfunded annuity and pension reserves, if any, for the accrued service portions of the retirement allowances to which the members might be entitled.

(3) The appropriations for pensions and retirement allowances being paid retardants [retirants] and beneficiaries shall be a percentage of the annual compensation of members that will produce an amount, to be determined by the Board, which, if paid annually by the City over a period of years, will amortize, at regular interest, the unfunded annuity and pension reserves, if any, for pensions and retirement allowances being paid retardants [retirants] and beneficiaries.

(Ord. No. 707, 9-30-85; Ord. No. 995, § 1, 9-8-98)

292.37A. Members benefit fund.

The members benefit fund is hereby created as of December 31, 1997, for the purpose of funding the benefits provided in Subsection 292.26(d) and funding the post-

retirement health insurance benefits provided in Section 292.37B. Notwithstanding the provisions of Section 292.43, the members benefit fund shall be credited investment income at a rate consistent with the method used to determine the actuarial value of assets in the annual actuarial report. Effective December 31, 1998, and each December 31 thereafter, an amount shall be transferred from the members' benefit fund to the retirement reserve fund, as specified in Section 292.36, for purposes of funding the benefits provided in Subsection 292.26(d). Each July 1, beginning July 1, 1999, an amount equal to three-eighths ($\frac{3}{8}$) of the first eight percent investment income that is credited to the members' benefit fund the previous calendar year shall be transferred from the members benefit fund to the health insurance fund, for purposes of funding the retiree health insurance benefits provided in Section 292.37B.
(Ord. No. 995, § 1, 9-8-98)

292.37B. Health insurance fund.

The health insurance fund is hereby created as of January 1, 1998, and shall be the fund for receiving contributions for post-retirement health insurance benefits. The initial balance as of January 1, 1998, shall be \$x,xxx,xxx, which amount is equal to the December 31, 1997, asset receivable allocated to health insurance advance funding from the City's general fund. City contributions, as specified in this section, for post-retirement health insurance benefits, including dental insurance and Medicare reimbursement benefits, shall be credited to the health insurance fund. Transfers from the members benefit fund, as specified in Section 292.37A, shall be credited to the health insurance fund. Notwithstanding the provisions of Section 292.43, the health insurance fund shall be credited investment income at a rate consistent with the method used to determine the actuarial value of assets in the annual actuarial report. Premiums or charges, as specified in this section, for post-retirement health insurance benefits, including dental insurance and Medicare reimbursement benefits, shall be paid from the health insurance fund.

(1) Beginning July 1, 1998, the City's annual contribution to the health insurance fund equal the sum of the actuarially computed normal cost for the year plus an amortization of the cumulative net actuarial gains and losses arising from the experience of active members on or after January 1, 1998, using an amortization period adopted by the Board of Trustees for this purpose. However, in no case shall the City's annual contribution to the health insurance fund exceed the limitation imposed by Internal Revenue Code Section 401(h) and the regulations thereunder. The amount, if any, by which the contribution must be reduced, in order to comply with the limitation imposed by Section 401(h), shall instead be contributed to a voluntary employees' beneficiary association established by the City for this purpose.

(2) Beginning July 1, 1998, and each year thereafter, a portion of the premiums or charges for post-retirement health insurance benefits, including dental insurance and Medicare reimbursement benefits, may be paid from the health insurance fund on behalf of eligible retirees and beneficiaries of the retirement system in accordance with the applicable collective bargaining agreements and personnel rules of the City. Except for retirees who become eligible pursuant to Section 292.14(d) or Section 292.14(e) the portion of the premiums or charges that will be paid from the health insurance fund is a percentage of such premiums or charges paid on behalf of persons with retirement effective dates on or after January 1, 1998. The percentage shall be four percent in the fiscal year beginning July 1, 1998, increasing four percent each year thereafter until it reaches one hundred percent for fiscal years beginning on or after July 1, 2022. The amount of premiums or charges paid from the health insurance fund shall be reduced by the amount, if any, paid from a voluntary employees beneficiary association established

by the City for this purpose. Notwithstanding the method specified in this subsection to compute the portion of the premiums or charges that are paid from the health insurance fund, the fund balance of the health insurance fund at any point in time is reserved to support the post retirement health insurance benefits, including dental insurance and medicare reimbursement benefits, of all eligible retirees and beneficiaries of the retirement system regardless of retirement effective date.

(3) Notwithstanding the creation or maintenance within the retirement system of the health insurance fund, this section is not to be construed or deemed to have established or removed any benefits, financial or otherwise, subject to Article IX, Section 24 of the 1963 Constitution of the State of Michigan. Nor shall the creation and maintenance of the health insurance fund preclude the City from giving consideration to and implementing cost containment measures as provided by law. Instead, the purpose of this section is to put in place a mechanism for the advance funding of post-retirement health insurance benefits for eligible retirees, and not, apart from the advance funding obligation, to grant additional rights or to take away any rights which eligible retirees may already have.

(Ord. No. 995, § 1, 9-8-98; Ord. No. 1071, § 1, 9-29-03)

292.37C. Retirement health care.

Employees, who are in council staff, mayoral staff, exempt, executive management plan, Teamster 580, Teamster 214, District Court teamster and District Court exempt bargaining units and employee group classifications, and who become a member pursuant to Section 292.14(d) or Section 292.14(e), shall be entitled to retirement health care, with spousal benefits in the case of a member's death, according to the requirements and funding as set forth in Chapter 293, and applicable personnel rules and collective bargaining agreements. The retirement health care benefits provided may be changed from time to time to be consistent with health care plans available to active City employees in the bargaining unit or employee group classification that the member was in at the time of his or her retirement.

(Ord. No. 1071, § 1, 9-29-03)

292.38. Administrative and investment expenses of system.

Administrative expenses of the retirement system shall be paid by the City from the General Fund, except insofar as they are related to investment of fund assets, in which case investment expenses shall be paid from investment proceeds. Expenses related to the investment of fund assets shall include, but not be limited to, fees for services of outside investment managers, bank custodians and investment performance evaluators.

(Ord. No. 707, 9-30-85)

292.39. Appropriations.

The Board of Trustees shall certify the amounts of appropriations necessary to pay into the various funds of the retirement system, as enumerated in this chapter, according to legal budget procedure.

(Ord. No. 707, 9-30-85)

292.40. Use of funds.

All funds of the retirement system shall be held for the sole purpose of meeting disbursements for pensions, retirement allowances and other payments authorized by this chapter and shall be used for no other purpose. This provision, however, shall not

be construed to prohibit the transfer of the Michigan Municipal Employee Retirement System of such funds as are necessary to effectuate any agreements between the City and the Housing Commission providing for the transfer of members employed by the Housing Commission to the Michigan Municipal Employees Retirement System. The crediting of moneys to the various funds of the system shall be interpreted to refer to accounting procedures and not to the actual segregation of moneys in the various funds of the system.

The funds shall be held and administered for the exclusive purpose of providing benefits to the members and their beneficiaries and defraying reasonable expenses of the retirement system. The entire amount of all moneys paid into the fund shall constitute an irrevocable contribution by the City, and the City shall have no further rights or claims to said funds other than such amounts as remain in the funds upon the retirement system's termination because of erroneous actuarial computations after the satisfaction of all fixed and contingent obligations to the members and their beneficiaries. A balance due to an erroneous actuarial computation shall mean any surplus arising because actual requirement differed from expected requirements based on previous actuarial valuations of liabilities or determination of costs of providing pension benefits under the retirement system in accordance with reasonable assumptions as to mortality, interest, and the like, and correct procedures relating to the method of funding, all as made by the city upon and with the advice of an actuary. Notwithstanding the foregoing, any contributions made by the City by a mistake of fact shall be returned to the City, upon its request, within one year after such contribution was made.

(Ord. No. 707, 9-30-85; Ord. No. 821, 8-6-90; Ord. No. 960, 12-9-96)

292.41. Management of retirement system assets.

The Board of Trustees shall be the trustees of the assets of the retirement system and shall have full power to invest and reinvest such assets, subject to M.C.L.A. 38.1132 et seq., as amended. The Board shall have full power to hold, purchase, sell, assign, transfer and dispose of any securities in which any of the moneys of the system have been invested, as well as the proceeds of such investments and any moneys belonging to the system. The Board shall have the power to purchase notes, bonds or other obligations of the City before or after the same are offered to the public, with or without advertising for bids.

(Ord. No. 707, 9-30-85)

292.42. Prohibited gain from system investments.

Except as otherwise provided in this chapter, no trustee, officer or employee of the retirement system shall have any interest, direct or indirect, in the gains or profits from any investments made by the Board of Trustees. No such person, directly or indirectly, for himself or herself or as an agent or partner of others, shall borrow any of the moneys or deposits of the system or in any manner use the same, except to make such current and necessary payments as are authorized by the Board. No such person shall become an endorser or surety or become in any manner an obligor for any moneys loaned by or borrowed from the system.

(Ord. No. 707, 9-30-85)

292.43. Allowance and credit of regular interest.

The Board of Trustees annually shall allow and credit regular interest on the mean balance in each of the funds of the retirement system for the preceding year. However, interest to be credited members' individual balances in the employees' savings

fund shall be computed on such balances at the beginning of the calendar year and shall be credited at the end of the calendar year. Amounts so allowed and credited shall be paid from the income fund.
(1958 Code, § 26-43)

292.44. Custodian of funds; method of payment.

The City Treasurer shall be the custodian of the funds of the retirement system. All payments from such funds shall be made, according to City Charter provisions, only upon regular City vouchers signed by two persons designated by the Board of Trustees. No such voucher shall be drawn unless it has been previously authorized by a specific or continuing resolution adopted by the Board.
(Ord. No. 707, 9-30-85)

292.45. Prohibited assignments.

The right of a person to a pension, annuity or retirement allowance, to the return of accumulated contributions, to the pension, annuity or retirement allowance itself, to any optional benefits, and to any other right accruing to any person under this chapter, and the moneys of the retirement system, shall be unassignable and shall not be subject to execution, garnishment, attachment, the operation of bankruptcy or insolvency law or any other process of law whatsoever, except as is specifically provided in this chapter.
(1958 Code, § 26-45)

292.46. Correction of errors.

If any change or error in the records results in any member, retirant or beneficiary receiving from the retirement system more or less than he or she would have been entitled to receive had the records been correct, the Board of Trustees shall correct such error, and, as far as practical, shall adjust the payment in such a manner that the actuarial equivalent of the benefit to which such member, retirant or beneficiary was correctly entitled shall be paid.
(1958 Code, § 26-46)

292.47. Application of reciprocal retirement act.

As to the retirement system established by this chapter, the City is hereby declared to be and is made a reciprocal unit of government under and subject to Public Act 88 of 1961, as amended, which Public Act is hereby adopted and made a part of this chapter.
(Ord. No. 103, 6-1-65)

292.48. Falsification; violations.

No person, with intent to deceive, shall make any statement or report required under this chapter which is untrue, or falsify or permit to be falsified any record of the retirement system, or otherwise violate, with intent to deceive, any of the provisions of this chapter.
(1958 Code, § 26-47)

292.49. Benefit limitations and required distributions.

(a) Benefits paid under the City of Lansing Employees Retirement System Ordinance shall not exceed the limitations of Internal Revenue Code Section 415, as amended, the provisions of which are hereby incorporated by reference.

(b) Notwithstanding any provisions in this chapter to the contrary, the distribution of benefits shall be in accordance with the following requirements and otherwise comply with Internal Revenue Code Section 401(A)(9), as amended, and the regulations thereunder, the provisions of which are incorporated herein by reference:

(1) A member's benefit shall be distributed to him/her not later than April 1st of the calendar year following the later of (1) the calendar year in which the member attains age 70 1/2 or, (2) the calendar year in which the member retires. Alternately, distributions to a member must begin no later than the applicable April 1st as determined under the preceding sentence and must be made over the life of the member or the life expectancies of the member and the member's designated beneficiary in accordance with Internal Revenue Code Section 401(A)(9) and the regulations thereunder.

(2) Distributions to a member and his/her beneficiary shall only be made in accordance with the incidental death benefit requirements of Code Section 401(A)(9)(G) and the regulations thereunder.

(Ord. No. 960, 12-9-96)

292.98. Defined contribution plan.

The City of Lansing Employees Money Purchase Pension Plan is hereby confirmed as a retirement plan of the City of Lansing for all employees and elected officials of the City who are members of said plan pursuant to collective bargaining agreements, personnel rules or determinations of the Elected Officers Compensation Commission.

(Ord. No. 1070, § 1, 9-29-03)

292.99. Penalty.

Editor's note: See Section 202.99 for general Code penalty if no specific penalty is provided.

CHAPTER 293. RETIREMENT HEALTH CARE BENEFITS FOR QUALIFIED MEMBERS OF DEFINED CONTRIBUTION MONEY PURCHASE PLAN AND MEMBERS OF THE EMPLOYEES' RETIREMENT SYSTEM PURSUANT TO CODE SECTION 292.14(D) AND SECTION 292.14(E)*

***Editor's note:** Ord. No. 1072, § 1, adopted Sept. 29, 2003, changed the title of Ch. 23 from "Health Care Benefits for Qualified Members of Defined Contribution Money Purchase Plan" to "Retirement Health Care Benefits for Qualified Members of Defined Contribution Money Purchase Plan and Members of the Employees' Retirement System Pursuant to Code Section 292.14(d) and Section 292.14(e)".

293.01. Definitions.

As used in this chapter, unless a different meaning is plainly required by the context:

Defined Contribution Money Purchase Plan's Governing Committee or Governing Committee means the Governing Committee of the fund or trust, as established in this chapter and designated by the Plan Administrator pursuant to the Defined Contribution Money Purchase Master Plan.

Eligible member means a member who is a participant in the City of Lansing's defined contribution money purchase plan and/or a member of the employees' retirement system (Chapter 292) pursuant to Code Section 292.14(d) and Section 292.14(e).

Fund means the employee health care fund established pursuant to this chapter and authorized by the Public Employee Health Care Fund Investment Act, MCL 38.1212 et seq., and used for the accumulation and investment of funds for the purpose of funding health care for eligible members.

Investment fiduciary means a person or persons who do any of the following:

- (1) Exercise any discretionary authority or control in the investment of the fund's or trust's assets; or
- (2) Render investment advice to a fund or trust for a fee or other direct or indirect compensation.

Plan administrator means the employer or the Mayor of the City. Qualified person means any person eligible to receive health care benefits from this fund or trust who: (1) was a former eligible member who has terminated their employment with the City of Lansing or 54-A District Court, and has met the requirements under Section 293.08 of this chapter; or (2) was the Eligible member's spouse at such date on which the deceased eligible member would have obtained age fifty-five (55); or (3) was an eligible member's dependent(s) at such date on which the deceased eligible member would have obtained age fifty-five (55) subject to the limitations of Section 293.08.

Total members' payroll means the total annual payroll of all active covered positions as defined in Chapter 292, Section 292.01, excluding UAW employees.

Trust means a trust created under the authority of a State or Federal law for the purpose of funding health care benefits for qualified persons.

(Ord. No. 1035, § 1, 7-23-01; Ord. No. 1072, § 1, 9-29-03)

293.02. Establishment and effective date of the fund or trust.

The City of Lansing hereby provides the authority to establish a health care fund or trust for the purpose of accumulating funds to provide for the funding of health care benefits to qualified persons of the City of Lansing's Defined Contribution Money Purchase Plan, and for qualified persons of the employees' retirement system pursuant to Code Section 292.14(d) and Section 292.14(e). This fund or trust shall be effective on October 1, 2000 for qualified persons of the City of Lansing's Defined Contribution Money Purchase Plan; on October 1, 2003, for qualified persons of employees' retirement system pursuant to Code Section 292.14(d); and December 1, 2003 for qualified persons of employees' retirement system pursuant to Code Section 292.14(e).

(Ord. No. 1035, § 1, 7-23-01; Ord. No. 1072, § 1, 9-29-03)

293.03. Restrictions of withdrawals from fund.

Withdrawals from the fund or trust are restricted solely for paying health care benefits on behalf of qualified persons and for paying expenses of administration of the fund or trust.

(Ord. No. 1035, § 1, 7-23-01; Ord. No. 1072, § 1, 9-29-03)

293.04. Defined Contribution Money Purchase Plan's Governing Committee; functions.

(a) The Governing Committee shall serve as an investment fiduciary pursuant to this chapter. The Governing Committee is vested with the following authority:

- (1) General administration, management and responsibility for the proper operation of the fund or trust;
 - (2) Interpreting and making effective this chapter;
 - (3) Promulgating all bylaws and rules of procedure applicable in the administration of this fund or trust;
 - (4) Establishing all actuarial assumptions including but not limited to investment return assumptions, mortality, projected benefit levels, inflation rates, and reasonable amortization periods;
 - (5) Deciding any cases of doubt as to the eligibility of any employee in the fund or trust; and
 - (6) Responsibility to contract for services pertaining to the fiduciary duties prescribed under this chapter. Such service contracts are to be paid out of fund or trust assets.
- (b) The Governing Committee shall not have the authority to alter or diminish any contractual provision referred to in this chapter.
(Ord. No. 1035, § 1, 7-23-01; Ord. No. 1072, § 1, 9-29-03)

293.05. Actuary.

The Governing Committee shall appoint an Actuary, who shall be the technical advisor to the Governing Committee on matters regarding the operation of the fund or trust, and shall perform such other duties as are required under this chapter.
(Ord. No. 1035, § 1, 7-23-01; Ord. No. 1072, § 1, 9-29-03)

293.06. Actuarial evaluation; adoption of tables of experience and rates of interest.

- (a) At least once in each three-year period, the Governing Committee shall cause an actuarial evaluation to be made into the mortality, service and other experiences of eligible members and qualified persons. Such evaluations shall use assets valued on a market related basis. On the basis of such actuarial evaluation, the Governing Committee shall adopt for the fund or trust such mortality, service and other tables of experience as are necessary in the operation of the fund or trust on an actuarial basis and shall adopt for the fund or trust a rate or rates of interest.
- (b) The Governing Committee shall have prepared and issue a summary annual report to the Mayor and City Council, showing the fiscal transactions of the fund or trust that ended on the preceding December 31, the amounts of cash and securities held by the fund or trust, and the last balance sheet of the fund or trust.
(Ord. No. 1035, § 1, 7-23-01; Ord. No. 1072, § 1, 9-29-03)

293.07. Contributions to fund or trust.

The City of Lansing shall provide and pay 100 percent of the premium (including dental insurance and Medicare reimbursement benefits) for single, double, or full family coverage (up to the appropriate premium under the base plan) effective October 1, 2000 for any eligible member of the Defined Contribution Money Purchase Plan who is a full-time employee with the City after October 29, 1990 and; effective October 1, 2003, for any eligible member who is a member of the employees' retirement system pursuant to Code Section 292.14(d); and December 1, 2003, for qualified persons of employees' retirement system pursuant to Code Section 292.14(e).

- (a) The City, in establishing this pre-funded fund or trust, shall be responsible for the pre-funding of the health care benefits for all eligible members.

(b) The City shall deposit annually into the fund or trust assets to pre-fund the health care benefits. A minimum of four (4) percent of total members' payroll will initially be used to base contributions.

(c) Any unfunded liabilities shall be amortized over a prudent period of time.

(Ord. No. 1035, § 1, 7-23-01; Ord. No. 1072, § 1, 9-29-03)

293.08. Coverage and benefits.

This coverage shall begin on the date of an eligible member's termination of employment with the City, or at age fifty-five (55), whichever is later, provided the eligible member has at least fifteen (15) years of applicable full-time service with the City (including full-time service prior to October 1, 2000), or meets the pro-rata eligibility requirements contained within the personnel rules or collective bargaining agreement applicable to such eligible member as of October 1, 2003, or December 1, 2003.

(a) In the event that an eligible member dies prior to age fifty-five (55), and has fifteen (15) years of service with the City, or such lesser amounts of service contained within the personnel rules or collective bargaining agreement applicable to such eligible member as of October 1, 2003, or December 1, 2003, the eligible member's spouse and eligible member's dependents shall retain the vested health care benefits. Such eligible dependents' coverage shall cease as defined by the City of Lansing health care provider. Eligibility for these health care benefits shall commence at such time that the deceased eligible member would have obtained age fifty-five (55).

(b) An eligible member, as defined in this chapter, must select health care benefit coverage prior to age seventy (70) or upon termination from employment with the City, whichever occurs later.

(Ord. No. 1035, § 1, 7-23-01; Ord. No. 1072, § 1, 9-29-03)

293.09. Investment of assets of the fund or trust.

An investment fiduciary shall invest the assets of the fund or trust in accordance with an investment policy adopted by the Governing Committee as authorized by the employer, and that complies with Section 13 of the Public Employee Retirement System Investment Act, MCL 38.1133 or successor legislation. However, the investment fiduciary shall discharge their duties solely in the interest of the City and the qualified persons of the fund or trust. The City may invest the fund's assets in the investment instruments and subject to the investment limitations governing the investment of assets of public employee retirement systems under the Public Employee Retirement System Investment Act, MCL 38.1132 to 38.1140.

(Ord. No. 1035, § 1, 7-23-01; Ord. No. 1072, § 1, 9-29-03)

293.10. Contractual authority.

Nothing contained in this chapter shall diminish the contractual requirements of the City of Lansing, 54-A District Court, Teamster 580 and 214, FOP 911, and the personnel rules for city employee units.

(Ord. No. 1035, § 1, 7-23-01; Ord. No. 1072, § 1, 9-29-03)

293.11. Elected officials.

It is acknowledged that compensation, including post-employment retirement health care benefits, is determined for elected officials by the Lansing Elected Officers Compensation Commission (EOCC) and that the EOCC has, through its official determinations, approved and ratified such benefits for eligible elected officials as contained in this chapter. When the EOCC, pursuant to its duties and authority,

determines these benefits that become effective for eligible elected officials and those benefits are not already included but are to be a part of this chapter, this chapter shall be amended accordingly.
(Ord. No. 1035, § 1, 7-23-01; Ord. No. 1072, § 1, 9-29-03)